

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	700.95	10.25	0.00	711.20	10.25	0.00	711.20	711.20
Personal Services	27,780,269	2,837,254	0	30,617,523	3,128,404	0	30,908,673	61,526,196
Operating Expenses	13,684,875	1,675,706	331,500	15,692,081	1,704,641	181,500	15,571,016	31,263,097
Equipment	1,783,827	386,463	0	2,170,290	510,013	0	2,293,840	4,464,130
Capital Outlay	0	0	0	0	0	0	0	0
Transfers	0	0	850,000	850,000	0	850,000	850,000	1,700,000
Debt Service	617,569	2,600	0	620,169	2,600	0	620,169	1,240,338
Total Costs	\$43,866,540	\$4,902,023	\$1,181,500	\$49,950,063	\$5,345,658	\$1,031,500	\$50,243,698	\$100,193,761
General Fund	21,562,997	2,467,091	312,500	24,342,588	2,607,445	162,500	24,332,942	48,675,530
State/Other Special	19,881,780	2,042,150	38,454	21,962,384	2,333,130	38,454	22,253,364	44,215,748
Federal Special	2,399,789	389,663	830,546	3,619,998	403,234	830,546	3,633,569	7,253,567
Proprietary	21,974	3,119	0	25,093	1,849	0	23,823	48,916
Total Funds	\$43,866,540	\$4,902,023	\$1,181,500	\$49,950,063	\$5,345,658	\$1,031,500	\$50,243,698	\$100,193,761

Agency Description

The Department of Justice, under the direction of the Attorney General, is responsible for statewide legal services and counsel, law enforcement, and public safety, as authorized in 2-15-501, MCA. The duties of the department include: 1) providing legal representation for the state and its political subdivisions in criminal appeals; 2) providing legal services and counsel for the state, county, and municipal agencies and their officials; 3) enforcing Montana traffic laws and registering all motor vehicles; 4) enforcing state fire safety codes and regulations; 5) assisting local law enforcement agencies in bringing offenders to justice; 6) managing a statewide system of death investigations and providing scientific analyses of specimens submitted by law enforcement officials, coroners, and state agencies; and 7) providing for the uniform regulation of all gambling activities in the state of Montana.

Supplemental Appropriation Description

Central Services

A \$194,983 supplemental appropriation, of which \$134,927 is general fund, is requested for the termination pay of exempt employees who may leave because of the change in administration. This amount is a "worst case" scenario that includes all exempt staff, and may change due to actual circumstances.

LFD ISSUE

The change in administration, due to term limits, was knowable and foreseeable. Consequently, the agency should have been able to plan some contingency for at least some of these costs. Depending upon the final outcome, the legislature may wish to require the agency to absorb these costs.

Agency Discussion

Budget Overview

The Executive Budget includes requests for 10.25 FTE and an increase of \$5.5 million from the general fund (\$12.5 million total funds) over the 2003 biennium, to be added to the Department of Justice's base budget. In comparison to the 2000 base budget, this represents a 12.9 percent general fund increase and a 14.2 percent increase in total funds. Significant general fund increases include: 1) \$131,500 each year for imaging systems for the Title and Registration Bureau; 2) \$150,000 in fiscal 2002 to study the Title and Registration and the Drivers' License Application systems; and 2) present law adjustments (including statewide present law adjustments) of \$2.5 million in fiscal 2002 and \$2.6 million in fiscal 2003. In the 2003 biennium, state special funds increase by \$4.4 million and federal funds increase by \$2.5 million. The increase in federal funds is primarily for legislative contract authority.

Fixed costs for SABHRS increased approximately 147.0 percent in the 2003 biennium as compared to the amount the Department of Justice was charged in fiscal 2000. The increased costs for SABHRS represent an increase of approximately \$280,000. The method for charging agencies for this service was changed this biennium and is now based on how many FTE an agency had on the snapshot date. (For further discussion of SABHRS cost allocations, see the Information Services Division Narrative in the Department of Administration in Volume 3.)

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	Present Law Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Biennium Fiscal 00-01	Total Exec. Budget Fiscal 02-03
FTE	711.20	0.00	711.20	711.20	0.00	711.20	0.00	711.20
Personal Services	30,617,523	0	30,617,523	30,908,673	0	30,908,673	57,288,110	61,526,196
Operating Expenses	15,360,581	331,500	15,692,081	15,389,516	181,500	15,571,016	27,669,503	31,263,097
Equipment	2,170,290	0	2,170,290	2,293,840	0	2,293,840	3,623,840	4,464,130
Capital Outlay	0	0	0	0	0	0	0	0
Transfers	0	850,000	850,000	0	850,000	850,000	0	1,700,000
Debt Service	620,169	0	620,169	620,169	0	620,169	893,731	1,240,338
Total Costs	\$48,768,563	\$1,181,500	\$49,950,063	\$49,212,198	\$1,031,500	\$50,243,698	\$89,475,184	\$100,193,761
General Fund	24,030,088	312,500	24,342,588	24,170,442	162,500	24,332,942	43,595,932	48,675,530
State/Other Special	21,923,930	38,454	21,962,384	22,214,910	38,454	22,253,364	41,136,247	44,215,748
Federal Special	2,789,452	830,546	3,619,998	2,803,023	830,546	3,633,569	4,699,826	7,253,567
Proprietary	25,093	0	25,093	23,823	0	23,823	43,179	48,916
Total Funds	\$48,768,563	\$1,181,500	\$49,950,063	\$49,212,198	\$1,031,500	\$50,243,698	\$89,475,184	\$100,193,761

New Proposals

The table below summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	FTE	Fiscal 2002				FTE	Fiscal 2003			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 1004 - Funding Switch										
01	0.00	31,000	(31,000)	0	0	0.00	31,000	(31,000)	0	0
DP 1203 - Title and Registration Bureau Imaging Project										
12	0.00	131,500	0	0	131,500	0.00	131,500	0	0	131,500
DP 1204 - Motor Vehicle Computer Systems Study										
12	0.00	150,000	0	0	150,000	0.00	0	0	0	0
DP 1306 - Legislative Contract Authority										
13	0.00	0	0	150,000	150,000	0.00	0	0	150,000	150,000
DP 1842 - Criminal Investigator Funding Switch										
18	0.00	0	(45,546)	45,546	0	0.00	0	(45,546)	45,546	0
DP 1844 - DCI Legislative Contract Authority										
18	0.00	0	15,000	135,000	150,000	0.00	0	15,000	135,000	150,000
DP 2207 - Academy LCA										
22	0.00	0	50,000	100,000	150,000	0.00	0	50,000	100,000	150,000
DP 2903 - JISD Legislative Contract Authority										
29	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
DP 3204 - FSD Legislative Contract Authority										
32	0.00	0	0	100,000	100,000	0.00	0	0	100,000	100,000
DP 7003 - Imaging System, Licensing Records										
07	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
Total	0.00	\$312,500	\$38,454	\$830,546	\$1,181,500	0.00	\$162,500	\$38,454	\$830,546	\$1,031,500

Elected Official: New Proposal

As an elected official, the Attorney General is authorized in statute to bring new proposals to the legislature, even though the new proposals were not included in the Executive Budget.

- 1) **Computer Crime Unit** – The Attorney General requests \$534,639 from the general fund for the 2003 biennium with which to develop a Computer Crime Unit in Montana. This unit would be under the Division of Criminal Investigation and includes funding for 4.0 FTE – a supervising agent, criminal investigator, an investigative analyst, and an administrative support position. At this time, computer and high technology crimes are among the fastest growing criminal enterprises in the United States. The focus of the Computer Crime Unit will be to serve as a resource to local law enforcement.
- 2) **Salary Increases for Exempt Staff** – The Attorney General requests \$100,000 each year to increase the salaries of exempt staff. The funding requested includes \$85,000 from the general fund and \$15,000 in state special revenues each year. The majority of the Attorney General's 15 exempt staff serve as division administrators and in other high-level managerial and legal positions. The department states that these salaries have not kept pace with similar positions in state government and that in order to attract and retain qualified people, a salary increase is needed.
- 3) **Contracted Computer Programming** – The Attorney General requests \$250,000 from the general fund for each year of the 2003 biennium to procure contracted services in support of maintaining existing applications and systems in the Information Technology Services Division.

LFD COMMENT

DP 2901 contains \$100,000 per year for contracted services that mean out-sourcing certain information technology projects, such as programming and program maintenance. If both of these requests were approved, contracted services would increase approximately 150.0 percent from base expenditures of \$234,033.

Language Recommendations

The following language is recommended by the executive for inclusion in HB 2.

- ?? "The department is authorized to transfer the retirement contributions provided in 19-6-404 and 61-5-121(a) in fiscal years 2002 and 2003 from the highway patrol retirement clearing account in the state special revenue fund to the Montana highway patrol officers' retirement pension fund. An appropriation must be established each year in the amount \$1 million or more if necessary to meet statutory requirements."
- ?? "The legislature recognizes that the costs associated with litigation in which the legal services division is required to provide representation to the state of Montana may exceed the appropriation provided. In that event, the division will need to request a supplemental appropriation from the 2003 legislature to adequately represent the state."
- ?? "The appropriations for legislative contract authority are subject to all of the following provisions:
- 1) Legislative contract authority applies only to federal and private funds.
 - 2) Legislative contract authority expenditures must be reported on the state accounting records and kept separate from present law operations. In preparing the 2005 biennium executive budget, the office of budget and program planning may not include expenditures from this item in the present law base.
 - 3) A report must be submitted by the department to the legislative fiscal analyst following the end of each fiscal year, listing legislative contract authority grants received and the amount of expenditures and FTE for each grant."
- ?? "Any remaining balance, up to \$51,000 from the program budget in fiscal 2002 and fiscal 2003 may be used to purchase vans for county sheriffs and peace officers to transport prisoners rather than reverting to the general fund."

Agency Issues

Legislative Contract Authority

The Executive Budget includes requests for Legislative Contract Authority (LCA) in several divisions, representing a total of \$1.7 million - more than double the amount appropriated for the 2001 biennium. The majority of the authority requested is for federal funds, but \$130,000 for the 2003 biennium is requested in state special revenue funds.

LCA is a device that allows the executive to add spending authority without a budget amendment, for funds received from federal sources during the year. This authority is used for funds that could not have been foreseen in time for inclusion in the budget.

In fiscal 1998, the Legislative Finance Committee discussed the issue of administrative appropriations (which are not technically appropriations). An instance in which these adjustments are made is when the legislature has given authority to an agency to make grants, but has not given authority to the receiving agency to spend grants they may receive from the granting agency. Under normal circumstances, any authority to spend grants would need to be made by valid appropriation, either by the legislature in HB 2 or through the statutory budget amendment process, for those funds that could not have been anticipated during the legislative session. The legislature does not review administrative appropriations in the same manner in which it reviews appropriations in HB 2 or in budget amendments. The issue discussed by the Legislative Finance Committee related specifically to those instances in which administrative appropriation authority was used to fund on-going projects never reviewed by the legislature for the receiving agencies. The issue was whether this was an appropriate device for adding authority to spend grants, or whether the budget amendment process should be used.

During the year, the department receives grants from the Board of Crime Control that cannot always be anticipated. The Office of Budget and Program Planning generally approves administrative appropriations to allow the department to spend these grants. LCA would allow the department to add this authority during the year without using administrative appropriations or budget amendments. The requested LCA authority would also allow the department to expend other federal grants that might be received during the interim without going through the formal budget amendment process.

There are a number of issues to consider regarding the use of LCA:

- 1) Any funds that can reasonably be anticipated should be included in HB 2 and subject to the same scrutiny as other ongoing or known projects. The department has included anticipated grants in its budget requests; therefore, only those grants that are made available after the 2001 legislature adjourns would bypass the budget amendment process.
- 2) As stated, the department would be able to bypass the budget amendment process with the addition of this authority and thereby circumvent legislative review. The legislature may wish to ask the department to identify the compelling reason for doing so.
- 3) LCA expenditures are treated like budget amendment expenditures and removed from the base. Consequently, LCA must be reappropriated each biennium.
- 4) Statute directs that a budget amendment may not be approved for the expenditure of state special revenue funds unless an emergency justifies the expenditure.

If the legislature adds LCA authority, it may wish to add the language included under "Language Recommendations" above to HB 2.

Gambling License Fee State Revenue Account

An analysis of the Gambling License Fee Account projects a slight positive fund balance at the end of fiscal 2001 (amounting to approximately \$23,000) if the department expends the amount appropriated from this fund and if revenues do not exceed projections. The following bills passed by the 1999 legislature contributed to the declining fund balance:

- 1) HB 135 - an act providing an appropriation for pay increases for certain Department of Justice protective service professionals. Approximately \$107,000 of the Gambling License Fee Account is being used to fund a portion of the pay increase bill in the 2001 biennium; and
- 2) HB 109 - an act authorizing the development of a Video Gambling Automated Accounting and Reporting System (AARS). Approximately \$560,000 of the Gambling License Fee Account was appropriated in the 2001 biennium to implement this bill.

Table 1 shows the status of the account through the 2003 biennium, based upon projected gambling license fee revenues and appropriations requested in the Executive Budget. As shown in Table 1, disbursements for ongoing expenditures are projected to exceed revenue projections in fiscal 2002 and 2003. Even if no present law adjustments or new proposals were approved in the 2003 biennium, revenues would not be sufficient. Revenues to this account are 50.0 percent of the gambling machines permit fee (the other 50.0 percent goes to local governments) and 100.0 percent of the machine transfer processing fee. By statute, the department is to charge \$200 for each video gambling machine permit and \$25 for each machine that transfers ownership.

Options

The solvency of this account has been an issue for several biennia. The legislature may want to consider legislation that would:

- 1) increase the gambling machine permit fee. The last permit fee increase occurred in 1989, when the fee was increased from \$100 to \$200. Based on the number of permits issued in fiscal 2000, each \$10 increase in the gambling machine permit fee would generate approximately \$195,750. If the Executive Budget is approved as requested, a \$25 increase would leave the fund with a positive balance in fiscal years 2002 and 2003; and/or;
- 2) increase the percent distributed to the state. Each percent increase would result in approximately \$39,573 in additional state funds. An increase from 50.0 percent to 56.0 percent would be needed ensure fund solvency at the end of the 2003 biennium.

The legislature could also choose not to fund any present law adjustments or new proposals with the gambling license fee funds and:

- 1) supplement the base budgets supported by this fee with general fund. In fiscal 2002, approximately \$9,255 general fund would be needed to replace the gambling license fee. If the adjustments in fiscal 2002 kept the fund solvent, approximately \$21,267 general fund would be needed in fiscal 2003 to replace the gambling license fee; and/or
- 2) reduce the services offered by the Gambling Control Division.

Table 1 Gambling License Fee Account				
	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003
Beginning Balance	\$810,752	\$674,956	\$22,977	(\$200,319)
Revenue				
Gambling License Fee	3,995,083	4,129,000	4,329,000	4,330,000
Misc. Fine/Forfeit.	76,581	120,000	120,000	120,000
Other	17,610	1,388	4,000	4,000
Total Revenue	\$4,089,274	\$4,250,388	\$4,453,000	\$4,454,000
Disbursements				
Statutory Distributions	\$1,970,726	\$2,041,195	\$2,141,195	\$2,141,650
Base Budget				
Legal Services	199,484	205,746	221,364	222,442
Gambling Control	1,968,358	2,586,226	2,026,611	2,037,021
Central Services	34,759	32,460	40,812	37,414
Justice Information Service:	36,740	36,740	36,740	36,740
Present Law Adjustments				
Gambling Control			155,750	167,306
Central Services			3,824	3,416
New Proposals				
Gambling Control			50,000	50,000
Non-Approp.	9,523	-	-	-
Total Disbursements	4,219,590	4,902,367	4,676,296	4,695,989
Adjustments	(5,480)			
Ending Balance	\$ 674,956	\$ 22,977	\$ (200,319)	\$ (442,308)

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	46.25	0.50	0.00	46.75	0.50	0.00	46.75	46.75
Personal Services	2,128,540	317,166	0	2,445,706	330,093	0	2,458,633	4,904,339
Operating Expenses	612,855	227,625	0	840,480	234,671	0	847,526	1,688,006
Equipment	6,890	0	0	6,890	0	0	6,890	13,780
Debt Service	1,391	0	0	1,391	0	0	1,391	2,782
Total Costs	\$2,749,676	\$544,791	\$0	\$3,294,467	\$564,764	\$0	\$3,314,440	\$6,608,907
General Fund	2,407,043	417,793	31,000	2,855,836	435,949	31,000	2,873,992	5,729,828
State/Other Special	279,238	38,165	(31,000)	286,403	39,519	(31,000)	287,757	574,160
Federal Special	63,395	88,833	0	152,228	89,296	0	152,691	304,919
Total Funds	\$2,749,676	\$544,791	\$0	\$3,294,467	\$564,764	\$0	\$3,314,440	\$6,608,907

Program Description

The Legal Services Division provides:

- 1) the Attorney General with legal research and analysis services;
- 2) legal counsel for state government officials, bureaus, and boards;
- 3) legal assistance to local governments and Indian tribes; and
- 4) legal assistance, training, and support for county prosecutors.

Indian Legal Jurisdiction provides representation and coordination of trial and appellate lawsuits involving the State of Montana and the Indian tribes, supervision of the private attorneys contracted by the state to assist with those cases, and advice to state agencies on questions involving Indian legal matters.

The County Prosecutor Services Division provides special prosecution assistance to counties in the prosecution and disposition of major felonies and in cases in which county attorneys or city attorneys have conflicts of interest. The County Prosecutor Services Division also provides prosecutor services to the Eastern Coal Counties Drug Task Force and the Western Montana Special Investigation Section, and coordinates training and continuing legal education for county attorneys, city attorneys, and law enforcement personnel.

A Child Protection Unit was added by the 1999 legislature to assist county attorneys across the state in handling child protection cases and other legal matters in the district courts.

Funding

The base budget of the Legal Services Division is supported by approximately 87.0 percent general fund.

State special revenue funds include: 1) State Fund revenues, which support one attorney and the operating costs associated with the position; 2) gambling license fees, which support three attorneys, support staff, and the associated operating costs; and 3) the Highway Special Revenue Fund, which supports 25.0 percent of one attorney.

Federal funds support 75.0 percent of one attorney and operating costs in the area of drug prosecution, as well as 25.0 percent of the Child Protection Unit.

Present Law Adjustments									
-----Fiscal 2002-----					-----Fiscal 2003-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				384,644					397,960
Vacancy Savings				(67,478)					(67,867)
Inflation/Deflation				(962)					(700)
Fixed Costs				70,256					77,039
Total Statewide Present Law Adjustments				\$386,460					\$406,432
DP 1001 - LSD Base Budget Adjustments									
0.00	34,506	10,000	7,100	51,606	0.00	34,506	10,000	7,100	51,606
DP 1002 - .50 FTE Administrative Support									
0.50	0	0	0	0	0.50	0	0	0	0
DP 1003 - Tobacco Audit of Non-Participating									
0.00	35,000	0	0	35,000	0.00	35,000	0	0	35,000
DP 1005 - Major Litigation Base Adjustments									
0.00	71,725	0	0	71,725	0.00	71,726	0	0	71,726
Total Other Present Law Adjustments									
0.50	\$141,231	\$10,000	\$7,100	\$158,331	0.50	\$141,232	\$10,000	\$7,100	\$158,332
Grand Total All Present Law Adjustments				\$544,791					\$564,764

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

LFD COMMENT

The Child Support Enforcement Division at the Department of Public Health and Human Services (DPHHS) is requesting \$400,000 with which to provide consulting and professional services to prosecute obligated parents who are evading their support responsibilities. In the Child Support Enforcement Division narrative, an LFD Issue points out that the 1999 legislature added five attorneys to assist county attorneys with the workload and complexity of child abuse and neglect cases and that DPHHS may want to contract with the Department of Justice for these services. If the legislature funds DPHHS's DP 101 and directs DPHHS to contract with the Child Protection Unit for these services, the legislature may want to review the funding of the unit and determine if state special and federal funds can replace a portion of the general fund support. For more information, see the LFD Issue for DP 101 in the Child Support Enforcement Division narrative.

DP 1001 - LSD Base Budget Adjustments - The Executive Budget includes a request for \$103,212, of which \$69,012 is general fund, for the 2003 biennium. The majority of the funds requested will be used to annualize costs of the Child Protection Unit approved by the 1999 legislature, which was not fully staffed for most of the base year. The funds requested for the biennium are: 1) consulting and other professional services amounting to \$22,140 each year, to be used in support of annualizing the costs associated with the Child Protection Unit and to provide for participation in antitrust activities; 2) \$4,305 each year for case-tracking software and computer processing needs; 3) \$18,461 each year for increased travel costs expected in the 2003 biennium and for annualization of travel costs of the Child Protection Unit; and 4) \$6,700 each year for rental costs associated with the Child Protection Units in Miles City, Missoula, and Helena.

LFD COMMENT

The 2000 base year expenditures included \$64,415 for travel. This present law adjustment contains \$18,461 per year for travel, which represents a 28.7 percent increase. Additionally, the initial budget for the Child Protection Unit did not include rent for office space as it was agreed that the Department of Public Health and Human Services would provide space for these units within existing offices. Space was provided in Great Falls and Billings, but adequate space was not provided in Miles City, Missoula, or Helena.

DP 1002 - .50 FTE Administrative Support - No additional funds are requested for this decision package. The division proposes using the savings generated from downgrading a lawyer position from a grade 18 to a grade 17 and downgrading a legal secretary from a grade 10 to an administrative assistant at a grade 8. These positions were vacant when downgraded, but are now filled. The administrative assistant has assumed lower-graded duties including copying and filing, freeing up the time of legal secretaries, for higher-level duties.

DP 1003 - Tobacco Audit of Non-Participating - The Executive Budget includes requests of \$35,000 each year of the biennium from the general fund, with which to support the oversight of tobacco manufacturers who did not participate in the national tobacco settlement. This is required by statute. Contracted services would be used to hire an independent auditor to determine if non-participating manufacturers are placing sufficient funds in escrow as required by law.

**LFD
COMMENT**

The LFD asked department staff to explain how they arrived at \$35,000. The department stated that there was no way to accurately estimate the number of audits.

DP 1005 - Major Litigation Base Adjustments - General fund support of \$143,451 is requested to return the major litigation biennial appropriation to a \$500,000 level. Major litigation expenses typically involve major lawsuits filed against the State of Montana. These expenses have historically been funded by a \$500,000 biennial appropriation split between the two years of the biennium. Expenditures for fiscal 2000 were \$178,275.

**LFD
COMMENT**

Since the request is for contingent funding, the legislature may want to restrict \$500,000 for use in funding major litigation costs only.

New Proposals										
-----Fiscal 2002-----						-----Fiscal 2003-----				
Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 1004 - Funding Switch										
01	0.00	31,000	(31,000)	0	0	0.00	31,000	(31,000)	0	0
Total	0.00	\$31,000	(\$31,000)	\$0	\$0	0.00	\$31,000	(\$31,000)	\$0	\$0

New Proposals

DP 1004 - Funding Switch - This request would increase general fund support by \$62,000 for the biennium and reduce State Fund account support by a like amount. Currently, the State Fund finances one prosecutor position in the Prosecution Services Bureau; this attorney works exclusively on cases involving Workers' Compensation fraud. The division has received requests from state agencies for prosecutorial assistance in cases involving fraud, theft, and other criminal activities. Rather than add another new lawyer to deal with these requests, the division proposes funding half of the Workers' Compensation position from the general fund, which would allow the individual to assist in a broader range of cases.

**LFD
COMMENT**

The Division of Criminal Investigation will lose funding for one criminal investigator that is funded by the State Fund. With the loss of this investigator, State Fund fraud cases are expected to decline. Funding one-half of this position with general fund would allow the department to utilize the attorney to assist other agencies. As mentioned in the LFD Comment at the beginning of the "Executive Present Law Adjustment" section, if the legislature funds DPHHS's DP 101 and directs DPHHS to contract with the Child Protection Unit for these services, the legislature may want to review the funding of the unit and determine if state special and federal funds can replace a portion of the general fund.

Language Recommendations

"The legislature recognizes that the costs associated with litigation in which the Legal Services Division is required to provide representation to the state of Montana may exceed the appropriation provided. In that event, the division will need to request a supplemental appropriation from the 2003 legislature to adequately represent the state."

Proprietary Rates

Program Description

The Agency Legal Services Bureau provides legal assistance to state agencies on a contractual basis. The bureau is funded on a proprietary basis, charging hourly fees and case-related costs to client agencies. Services include litigation, hearing examiner work, and general counsel. The Bankruptcy Program, which is attached to this bureau, also provides legal services to state agencies on a contractual basis in the areas of bankruptcy and collections.

Revenues and Expenses

The Agency Legal Services Bureau is supported by an hourly charge of \$62 for attorneys and \$35 for paralegals. The department proposes increasing this rate during the 2003 biennium to \$70 for attorneys and \$38 for paralegals.

Working Capital

The ALS account should have a 60-day working capital reserve. This level has never been obtained. A rate increase approved by the 1997 legislature, which took effect in fiscal 1998, was the first rate increase since 1990. The table shows that the new rate structure gradually increased the cash balance until fiscal 2001. The proposed increases will gradually increase the cash balance and hopefully produce a 60-day working capital reserve by the end of the fiscal 2004.

Fund Equity and Reserved Fund Balance

An adequate reserve fund balance is necessary to provide for adequate cash flow to meet operational expenses and to cover the costs of termination pay and the related reduced billable hours for new employees in training. ALS has a negative fund balance and no working capital reserve. Because of the lag between billing and receipt of cash, loans are necessary until year-end when all agencies are required to be current with their payables. The proposed rate increase should eliminate the negative fund balance and begin producing a working capital reserve.

Cash Flow

Cash revenue flow is based on monthly billings. The delay in receipt of revenue requires an on-going inter-entity loan to meet payroll commitments and operational expenses. The rate increase should have the effect of gradually eliminating the need for inter-entity loans.

Report on Internal Service & Enterprise Funds, 2003 Biennium

Fund Number	Fund Name	Agency Number	Agency Name	Program Name
06500 / 06535	Agency Legal Services / Bankruptcy Unit	4110	Department of Justice	

Fund Balance Information

	FY96	FY97	FY98	FY99	FY00	Estimated FY01	Estimated FY02	Estimated FY03
Beginning Retained Earnings	(22,791)	(85,734)	(157,243)	(110,139)	(63,193)	(56,183)	(78,064)	(61,039)
Increases								
Fee Revenue	607,892	731,616	1,065,307	1,090,375	1,098,841	1,125,600	1,244,463	1,245,004
Investment Earnings	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Miscellaneous, operating	-	-	-	248	61	-	-	-
Miscellaneous, other	-	-	-	-	-	-	-	-
Total Increases	607,892	731,616	1,065,307	1,090,623	1,098,902	1,125,600	1,244,463	1,245,004
(Decreases)								
Personal Services	542,931	656,661	808,159	849,212	877,077	904,263	966,604	972,297
Operations	127,128	145,667	196,185	193,632	214,082	242,513	260,142	259,550
Transfers Out	-	-	-	-	-	-	-	-
Miscellaneous, operating	776	797	796	833	691	705	692	692
Miscellaneous, other	-	-	-	-	-	-	-	-
Total Decreases	670,835	803,125	1,005,140	1,043,677	1,091,850	1,147,481	1,227,438	1,232,539
Adjustments to Beginning Retained Earnings	-	-	(13,063)	-	(42)	-	-	-
Ending Retained Earnings	(85,734)	(157,243)	(110,139)	(63,193)	(56,183)	(78,064)	(61,039)	(48,574)
Total Contributed Capital	-	-	-	-	-	-	-	-
Total Fund Equity	(85,734)	(157,243)	(110,139)	(63,193)	(56,183)	(78,064)	(61,039)	(48,574)
Unreserved Fund Balance								
60 Days of Expenses (i.e. total of personnel services, operations, and miscellaneous operating divided by 6)	111,806	133,854	167,523	173,946	181,975	191,247	204,573	205,423

Fee/Rate Information for Legislative Action:

									-----Estimated-----
Requested Rates for Internal Service Funds									
Attorney hourly rate	\$53	\$53	\$62	\$62	\$62	\$62	\$70	\$70	
Paralegal hourly rate	\$30	\$30	\$35	\$35	\$35	\$35	\$38	\$38	
Bankruptcy							By contract with State agencies		
Information in the above table for FY 1996 and 1997 reflect ALS activity only. In FY 1998, bankruptcy activity is included. The rate increase impacts ALS only.									
Compensated absences of \$112,498 are included in the fund balance.									

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	47.00	2.00	0.00	49.00	2.00	0.00	49.00	49.00
Personal Services	1,890,222	188,803	0	2,079,025	200,893	0	2,091,115	4,170,140
Operating Expenses	960,550	117,826	50,000	1,128,376	146,035	50,000	1,156,585	2,284,961
Equipment	56,418	0	0	56,418	(12,250)	0	44,168	100,586
Debt Service	138	0	0	138	0	0	138	276
Total Costs	\$2,907,328	\$306,629	\$50,000	\$3,263,957	\$334,678	\$50,000	\$3,292,006	\$6,555,963
General Fund	901,388	58,734	0	960,122	64,572	0	965,960	1,926,082
State/Other Special	2,005,940	247,895	50,000	2,303,835	270,106	50,000	2,326,046	4,629,881
Total Funds	\$2,907,328	\$306,629	\$50,000	\$3,263,957	\$334,678	\$50,000	\$3,292,006	\$6,555,963

Program Description

The Gambling Control Division was established by the 1989 legislature to regulate the gambling industry in Montana. The division has criminal justice authority and conducts routine field inspections and investigations related to gambling activities. In addition to collecting licensing fees for gambling machines and activities, the division is responsible for collecting and distributing the gambling tax assessed on the net proceeds of gambling activities, and investigative functions relative to alcoholic beverage licensing and tobacco enforcement.

The Gambling Control Program operates as a state mandate. A Gaming Advisory Council of nine members is appointed to provide advisory services to the Attorney General in order to ensure uniform statewide regulation of gambling activities.

Funding

Primary funding for the Gambling Control Division comes from the revenues generated through licenses and permits for gambling operators, machines, and other gambling activities, as well as license fees for video gambling machine manufacturers/distributors. As authorized in Section 23-5-612, MCA, revenues include 50 percent of the gambling machine permit fee (the other 50 percent goes to local government) and 100 percent of the machine transfer processing fee. By statute, the department is to charge \$200 for each video gambling machine permit and \$25 for each machine that transfers ownership. The revenues are deposited into the Gambling License Fee State Special Revenue Account to be used for the costs related to operations of the division and other agency programs.

Funds to process cabaret license applications are derived from a state special revenue fund made up of a percentage of cabaret license fees statutorily set aside to cover these costs.

General fund is appropriated to support the tobacco and alcohol beverage enforcement functions. In addition, the 1999 legislature approved the establishment of the Automated Accounting and Reporting System (AARS). Language in HB 2 states that:

"Item 2b [HB 109 - Establish Automated Video Gambling Accounting and Reporting System] contains funding for the automated accounting and reporting system. The general fund appropriation of \$380,000 reflects the first year of a 5-year general fund commitment for this project. It is the intent of the legislature that an annual general fund commitment of \$380,000 be continued each year of the 2003 biennium. It is also acknowledged that 1 additional FTE and related operating costs will be necessary in fiscal year 2002."

LFD ISSUE

An analysis of the Gambling License Fee Account projects a negative fund balance at the end of the fiscal years 2002 and 2003 if the Executive Budget is approved as presented and if revenues do not exceed projections. (For more information, please refer to the issue under "Agency Issues".)

Present Law Adjustments										
-----Fiscal 2002-----						-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					146,919					159,037
Vacancy Savings					(56,123)					(56,487)
Inflation/Deflation					(174)					423
Fixed Costs					18,855					19,925
Total Statewide Present Law Adjustments					\$109,477					\$122,898
DP 7001 - GCD Base Budget Adjustment	0.00	18,671	70,238	0	88,909	0.00	21,672	81,529	0	103,201
DP 7002 - AARS FTE	2.00	22,731	85,512	0	108,243	2.00	22,802	85,777	0	108,579
Total Other Present Law Adjustments	2.00	\$41,402	\$155,750	\$0	\$197,152	2.00	\$44,474	\$167,306	\$0	\$211,780
Grand Total All Present Law Adjustments					\$306,629					\$334,678

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 7001 - GCD Base Budget Adjustment

LFD COMMENT

This request includes all operation adjustments for this division. The legislature may wish to examine each separately.

Significant adjustments include:

- 1) A request of \$4,050 per year for overtime to be paid to the division's technical services unit personnel.
- 2) A request of \$8,360 each year for annualization of the operating expenses for two positions that were vacant most of the year.
- 3) A request of \$53,000 in fiscal 2002 and \$78,000 in fiscal 2003 for communication expenses involved in the central system's nightly calls to collect video-gaming machine meter readings.

LFD COMMENT

The communication costs are higher than anticipated when the AARS was presented to the 1999 legislature. Originally, these costs were projected to be minimal because most automated systems in major communities contained polling stations. This would have allowed most calls to be made locally, with long distance calls made only by the central computer system to the polling stations. The system purchased by the state does not include polling stations; most calls from the central computer will be long distance.

- 4) The Executive Budget includes requests for \$22,307 in fiscal 2002 and \$23,849 in fiscal 2003 to cover increases in contractual obligations for rent. The 1999 legislature approved \$41,171 in fiscal 2000 to cover the increased cost of new rental space in Missoula. The new building was not completed in fiscal 2000 and increased rental costs were not incurred. Of the \$41,171 rent appropriation, \$20,312 was spent for rent, \$13,808 was spent for one-time costs related to the new building/move, and \$7,051 was reverted. Rental costs for the Missoula building will be \$42,325 for each year of the 2003 biennium (\$12.50 per square foot x 3,386 square foot).
- 5) A reduction of \$13,808 is made each year for one-time costs related to the new building/move.

- 6) A reduction of \$12,250 is made in fiscal 2003 for vehicle replacement costs. The division spent \$51,249 during the base year to replace four vehicles. It is projected that four vehicles will be replaced in fiscal 2002 and three vehicles in fiscal 2003, which reflects the division's standard vehicle replacement policy of replacing vehicles with 100,000 or more miles.
- 7) A request for \$15,000 per year is included to provide for out-of-state commercial travel for a total of \$22,976 each year of the biennium when added to base expenditures. This will enable division staff to conduct license investigations on foreign national corporate video gambling machine manufacturers. The division estimates that there could be as many as three applications from foreign manufacturers in any given year. These costs are fully reimbursed by license applicants.

LFD ISSUE Approving \$22,976 each year for out-of-state commercial travel would reflect a nearly three-fold increase over base expenditures of \$7,976. In the past five years, expenditures for out-of-state commercial travel have ranged from \$5,100 to \$11,500. A reduction in the present law increase from \$15,000 to \$7,024 would give the division \$15,000 per year, which is the same amount appropriated by the 1999 legislature.

DP 7002 - AARS FTE - The Automated Accounting and Reporting System (AARS) will be operational by the end of the 2001 biennium. In order to provide on-going support and maintenance for this system, the division is requesting an increase of \$108,243 in fiscal 2002 and \$108,579 in fiscal 2003. In addition to system support, the funds would be used to hire 2.0 FTE. The additional FTE include a grade 16 communications specialist and a grade 16 computer systems administrator.

As stated in the "Funding" section for this division, the 1999 legislature acknowledged the need for 1.0 FTE in the 2003 biennium through HB 2 language. The Free Conference Committee and the department discussed the possibility that the department would need 2.0 FTE for the last six months of fiscal 2001, or the equivalent of 1.0 FTE for the full year. When the committee and department determined that the positions would not be needed until the 2003 biennium, an oversight occurred. The 1.0 FTE was not changed to reflect 2.0 FTE in HB 2 language.

New Proposals										
Program	FTE	-----Fiscal 2002-----				FTE	-----Fiscal 2003-----			
		General	State Special	Federal Special	Total Funds		General	State Special	Federal Special	Total Funds
DP 7003 - Imaging System, Licensing Records 07	0.00	0	50,000	0	50,000	0.00	0	50,000	0	50,000
Total	0.00	\$0	\$50,000	\$0	\$50,000	0.00	\$0	\$50,000	\$0	\$50,000

New Proposals

DP 7003 - Imaging System, Licensing Records - The Executive Budget includes requests for gambling license fee funds of \$100,000 for the biennium to install an imaging system. The Gambling Control Division maintains approximately 58,000 files and 102 file cabinets in a central Helena repository. Because original files do not leave the Helena office, photocopies must be made and sent to field offices. An imaging system would allow files to be imaged upon receipt and made available almost immediately to division personnel through use of their desktop computers.

LFD COMMENT The Information Services Division (ISD) has a Centralized Imaging System where agencies can have documents scanned on a contract basis. However, many of the documents in the original files at the Gambling Control Division contain confidential information that cannot leave the Helena office. For this reason, the division requests their own equipment so that documents will not need to be copied to scan off-site or be transmitted over data lines.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	160.60	0.00	0.00	160.60	0.00	0.00	160.60	160.60
Personal Services	4,421,596	288,650	0	4,710,246	316,321	0	4,737,917	9,448,163
Operating Expenses	3,433,169	329,177	281,500	4,043,846	361,491	131,500	3,926,160	7,970,006
Equipment	16,671	0	0	16,671	0	0	16,671	33,342
Debt Service	148,276	0	0	148,276	0	0	148,276	296,552
Total Costs	\$8,019,712	\$617,827	\$281,500	\$8,919,039	\$677,812	\$131,500	\$8,829,024	\$17,748,063
General Fund	7,616,656	617,827	281,500	8,515,983	677,812	131,500	8,425,968	16,941,951
State/Other Special	403,056	0	0	403,056	0	0	403,056	806,112
Federal Special	0	0	0	0	0	0	0	0
Total Funds	\$8,019,712	\$617,827	\$281,500	\$8,919,039	\$677,812	\$131,500	\$8,829,024	\$17,748,063

Program Description

The Motor Vehicle Division (MVD), under provision of Title 61 and Title 23, MCA, and certain federal statutes is responsible for: 1) examination and licensure of all drivers; 2) creation and maintenance of permanent driver and motor vehicle records; 3) titling and registration of all vehicles including boats, snowmobiles, and ATVs; 4) inspection and verification of vehicle identification numbers; 5) licensure and compliance control of motor vehicle dealers and manufacturers; and 6) providing motor voter registration.

Funding

The Motor Vehicle Division's base budget is supported by approximately 95.0 percent general fund. The Motor Vehicle Division has historically been funded with general fund. Because of the division's connection to the motoring public, Highways Special Revenue Account (HSRA) funds have at times been included as a funding source to relieve the general fund. In fiscal 1998, HSRA funds of \$403,056 were appropriated to MVD through HB 2 and the pay plan bill. This same level of HSRA funding is maintained for the 2003 biennium for field operations. All present law adjustments and new proposals for the 2003 biennium request 100.0 percent general fund, due to the projected fund balance of the highway special revenue account in the 2003 biennium. For a further discussion of this account, see the Montana Department of Transportation narrative in Volume 3.

Present Law Adjustments									
-----Fiscal 2002-----					-----Fiscal 2003-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				359,562					388,087
Vacancy Savings				(125,912)					(126,766)
Inflation/Deflation				(154,493)					(153,949)
Fixed Costs				130,771					148,215
Total Statewide Present Law Adjustments				\$209,928					\$255,587
DP 1201 - Driver Licensing Base Budget Adjustments	0.00	200,870	0	200,870	0.00	204,676	0	0	204,676
DP 1202 - Title & Registration Base Budget Adjustment	0.00	207,029	0	207,029	0.00	217,549	0	0	217,549
Total Other Present Law Adjustments	0.00	\$407,899	\$0	\$407,899	0.00	\$422,225	\$0	\$0	\$422,225
Grand Total All Present Law Adjustments				\$617,827					\$677,812

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies.

Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 1201 - Driver Licensing Base Budget Adjustments

**LFD
COMMENT**

This request includes all operation adjustments for several bureaus within this division. The legislature may wish to examine each separately.

Significant increases requested include:

- 1) \$5,000 each year for overtime;
- 2) \$173,200 per year for photographic services due to a new contract price of \$3.15 per driver license and identification card. The new contract provides for an improved production process, provides ten-year card durability, enhances security features to reduce fraud, provides receipts with photo identification, allows daily electronic data transfer, and improves data access for the courts and law enforcement;
- 3) \$23,530 per year for computer processing/DOA costs. These costs have increased due to bringing 16 driver licensing offices on-line so the daily data transfer of driver licensing data, photograph, and signature images can occur as required by the new contract for driver licensing and identification cards. This feature increased computer-processing time but reduced the turn around time for driver licenses and identification from eight weeks to one week;
- 4) \$7,152 each year for increased travel costs; and
- 5) \$33,080 for rent increases in fiscal 2002 and \$36,786 in 2003.

Significant reductions include:

- 1) \$42,842 each year for one-time costs associated with the new Missoula location; and
- 2) \$4,800 each year for office equipment.

**LFD
COMMENT**

This decision package represents over a 15.6 percent increase from the base. The increases requested due to the new photographic services contract amount to a 51.5 percent increase in photographic services and computer processing costs.

DP 1202 - Title & Registration Base Budget Adjustment

**LFD
COMMENT**

This request includes all operation adjustments for several bureaus within this division. The legislature may wish to examine each separately.

Increases to the Title and Registration Bureau budget include:

- 1) \$50,664 each year for annualization costs. The Title and Registration Bureau experienced a high rate of vacancies due to promotions and retirements (of 60.0 authorized FTE more than 20 positions were recruited and filled during fiscal 2000);

**LFD
ISSUE**

The Motor Vehicle Division did not exceed the operational plan for operating expenses overall, but the portion allocated for the Title and Registration Bureau was exceeded by \$133,975. Savings in the Records and Driver Control Bureau operating costs offset these costs. Therefore, even though this bureau had a high rate of vacancies, any savings in operating costs that may have been generated due to the vacancies were expended in other areas.

- 2) \$50,000 for overtime to manage the backlog in titling and registration;

**LFD
ISSUE**

In DP 1203, the agency requests funds for an imaging project. The department has stated that the FTE no longer needed for microfilming due to imaging would be used to address the backlog of title and registration issuances and lien filing. If the legislature approves DP 1203, the funds for overtime should not be needed.

- 3) \$5,000 in fiscal 2003 to contract with a design consultant for the new license plates to be issued in January 2004;
- 4) \$4,200 each year for an increase in the janitorial contract;
- 5) \$1,850 each year for specialized security motor vehicle registration receipts;
- 6) \$7,700 each year to update rewiring in the county treasurers office. There are 220 county network connections and \$7,700 would allow the rewiring of 44 sites per year. Therefore, to complete all 220 sites it will take five years;
- 7) \$12,067 each year for telephone and long distance to correct an accounting entry at fiscal year end that incorrectly reduced these expenditures;
- 8) \$1,223 each year to annually update the motor vehicle valuation database;
- 9) \$1,200 each year for travel increases;
- 10) \$3,465 in miscellaneous increases each year; and
- 11) \$79,360 in fiscal 2002 and \$84,880 in fiscal 2003 for increases in printing due to a new contract for printing license plate decals and an increase in the number of printed forms.

Reductions in the base budget include: 1) \$4,000 each year in legal fees; and 2) \$700 each year in advertising costs.

New Proposals										
Program	FTE	-----Fiscal 2002-----				-----Fiscal 2003-----				Total Funds
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	
DP 1203 - Title and Registration Bureau Imaging Project										
12	0.00	131,500	0	0	131,500	0.00	131,500	0	0	131,500
DP 1204 - Motor Vehicle Computer Systems Study										
12	0.00	150,000	0	0	150,000	0.00	0	0	0	0
Total	0.00	\$281,500	\$0	\$0	\$281,500	0.00	\$131,500	\$0	\$0	\$131,500

New Proposals

DP 1203 - Title and Registration Bureau Imaging Project - General fund of \$263,000 for the 2003 biennium is requested to contract for imaging services. The contract would include the equipment, software, and any other operating expenses necessary to operate the system. The Title and Registration Bureau (TRB) currently uses microfilm to film an average of two million documents each year - nearly 7,600 documents daily - and has an average backlog of 14 to 16 weeks in the microfilming unit. A document imaging system would require fewer FTE to process the 7,600 daily documents and allow imaged records to be accessed from the desktop. The FTE no longer needed for microfilming as a result of moving to imaging technology would then be used to address the backlog of title and registration issuances and lien filings. Backlogs in these areas are permanent, ranging from 14 to 16 weeks in the microfilming unit and six to eight weeks in titling and registration. Backlogs are temporarily controlled by asking employees to work overtime for extended periods of time and hiring temporary, short-term workers.

**LFD
COMMENT**

As stated in the LFD Comment to DP 7003 for an imaging system for the Gambling Control Division, the Information Services Division (ISD) has a Centralized Imaging System where agencies can contract to have documents scanned. However, the cost estimate provided by ISD was nearly \$1.0 million over five years, plus the cost of on-line data communication and utilization. MVD estimates the costs of the proposed imaging project contract at \$685,000 over five years. In addition, the band and baud capacities of existing transmission lines are not sufficient for transmission of the documents.

**LFD
ISSUE**

If the legislature approves this new proposal, the legislature may want to lower the amount requested for overtime in DP 1202.

DP 1204 - Motor Vehicle Computer Systems Study - General fund of \$150,000 for the biennium is requested to study both the title and registration and the drivers' license application systems to see how they could be redesigned for efficiency and ease of support, business functionality, coordination of the databases, interface with other applications, and better access. The MVD operates two large computer applications that manage motor vehicle title and registration functions and driver licensing functions. During the past two decades, these systems have been extensively altered to comply with new legislation and business process requirements. The results are two large, complex mainframe applications consisting of more than 600 individual computer programs. The MVD computer applications are complex due to 20 years of enhancements, renovations, upgrades and updates; and are difficult to maintain and change. State agencies, local government, law enforcement, national and international jurisdictions, and the general public are dependent upon the 58 million records in the motor vehicle titling and registration database and 10.7 million records in the driver licensing database.

**LFD
ISSUE**

The study would be a one-time cost. Therefore, if the legislature approves this request, it may want to consider establishing a one-time-only appropriation. In addition, the legislature may want to ensure that the study provides the following information:

- 1) what operating efficiencies or cost savings would result from any new system;
- 2) what design improvements would be realized from expenditures on a new system;
- 3) what is the life expectancy of a new system;
- 4) what is the estimated additional annual cost to operate and maintain a new system; and
- 5) a cost/benefit analysis.

Language Recommendations

"The department is authorized to transfer the retirement contributions provided in 19-6-404 and 61-5-121(a) in fiscal years 2002 and 2003 from the highway patrol retirement clearing account in the state special revenue fund to the Montana highway patrol officers' retirement pension fund. An appropriation must be established each year in the amount \$1 million or more if necessary to meet statutory requirements."

**LFD
COMMENT**

The legislature may want the language to provide a maximum amount for the appropriation.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	270.55	3.00	0.00	273.55	3.00	0.00	273.55	273.55
Personal Services	11,435,943	1,120,999	0	12,556,942	1,273,772	0	12,709,715	25,266,657
Operating Expenses	4,479,609	466,691	0	4,946,300	511,934	0	4,991,543	9,937,843
Equipment	1,371,949	251,270	0	1,623,219	394,070	0	1,766,019	3,389,238
Transfers	0	0	150,000	150,000	0	150,000	150,000	300,000
Total Costs	\$17,287,501	\$1,838,960	\$150,000	\$19,276,461	\$2,179,776	\$150,000	\$19,617,277	\$38,893,738
General Fund	1,042,073	37,706	0	1,079,779	70,723	0	1,112,796	2,192,575
State/Other Special	15,552,254	1,675,390	0	17,227,644	1,976,448	0	17,528,702	34,756,346
Federal Special	693,174	125,864	150,000	969,038	132,605	150,000	975,779	1,944,817
Total Funds	\$17,287,501	\$1,838,960	\$150,000	\$19,276,461	\$2,179,776	\$150,000	\$19,617,277	\$38,893,738

Program Description

The Highway Patrol Division (HPD) is responsible for patrolling the highways of Montana, enforcing traffic laws, and investigating traffic accidents. The patrol gives assistance and information to motorists and first aid to those injured in traffic accidents, transports blood and medical supplies in emergency situations, and assists other law enforcement agencies when requested. The patrol provides 24-hour, seven-day-a-week communication and radio dispatch for the Highway Patrol and other state agencies. The Motor Carrier Safety Assistance program (MCSAP) attempts to reduce commercial motor vehicle accidents in the state by participating in the Commercial Vehicle Safety Alliance (CVSA) and its North American Driver/Vehicle Inspection program in all levels of inspections as well as safety review audits.

Funding

The Highway Patrol Division is funded primarily from the Highways State Special Revenue Account (HSRA), which receives most of its revenue from fuel taxes and gross vehicle weight (GVW) fees. The Motor Carrier Safety Assistance Program is funded at an 85 percent level with federal funds from the U.S. Department of Transportation, combined with a 15 percent state match. Although the actual match requirement is 20 percent, utilizing highway patrol officers to conduct truck inspections for the federal government provides five percent of the match required. The remainder comes from highway special revenue funds. General fund was added by the 1999 legislature to fund prisoner per diem and related medical costs.

The HSRA has been experiencing a structural imbalance for several biennia. A committee was established by the 1997 legislature to review the account. Committee recommendations included funding activities within the Department of Justice not directly related to the enforcement of highway safety through a source other than the HSRA. The 1999 legislature approved a funding switch of slightly more than \$1.0 million each year from highway state special revenue funds to general fund as a result of the committee recommendations. This account still faces a structural imbalance. For more information, see the Agency Discussion in the Department of Transportation document.

Present Law Adjustments									
-----Fiscal 2002-----					-----Fiscal 2003-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				861,531					1,018,780
Vacancy Savings				(339,825)					(344,543)
Inflation/Deflation				(1,973)					(1,672)
Fixed Costs				61,032					64,056
Total Statewide Present Law Adjustments				\$580,765					\$736,621
DP 1301 - MHP Operating Base Adjustments									
0.00	62,271	960,781	0	1,023,052	0.00	95,288	1,108,156	0	1,203,444
DP 1302 - MCSAP Base Adjustments									
0.00	0	17,869	126,036	143,905	0.00	0	18,734	129,497	148,231
DP 1303 - Recruit School Base Adjustments									
0.00	0	17,729	0	17,729	0.00	0	17,729	0	17,729
DP 1305 - Communications Operators									
3.00	0	73,509	0	73,509	3.00	0	73,751	0	73,751
DP 1309 - Language Appropriation MHP									
0.00	0	0	0	0	0.00	0	0	0	0
Total Other Present Law Adjustments									
3.00	\$62,271	\$1,069,888	\$126,036	\$1,258,195	3.00	\$95,288	\$1,218,370	\$129,497	\$1,443,155
Grand Total All Present Law Adjustments				\$1,838,960					\$2,179,776

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

LFD COMMENT Personal services increase approximately 4.5 percent in fiscal 2002 and 5.9 percent in fiscal 2003 over the base expenditures. The increase is a result of annualizing the pay plan costs and the protective services pay plan, passed by the 1999 legislature in HB 135. Positions impacted by this pay plan receive an increase in pay equivalent to a grade increase, but the grade classification remains the same. Several vacant positions captured by the snapshot were budgeted at a grade lower than will be paid to a new hire. An adjustment for this difference is contained in the statewide present law personal services adjustment.

The department states that the protective services pay increase has had a positive impact on retention of officers. In 1999, 18 officers resigned with 8 of those eligible for retirement. In 2000, there have been 9 resignations with 4 officers being eligible for retirement. One of the nine has been rehired.

DP 1301 - MHP Operating Base Adjustments**LFD
COMMENT**

This request includes all operation adjustments for this division. The legislature may wish to examine each separately.

The requests being made by the division are as follow.

- 1) A request of \$520,836 is made to cover increases in regular and special overtime for uniformed personnel. Funds for regular overtime in fiscal 2000 ran out in mid-February and uniformed personnel had to switch to compensatory time. Approximately \$108,000 of the increase requested is for special overtime, which is paid to uniformed personnel for traffic control in the production of movies, DUI Task Force activities, construction zones, and other emergencies. These costs are reimbursed by the "employing" organization and have no impact on the gas tax fund.

**LFD
ISSUE**

In addition to increases in overtime due to workload increases and staff shortages, the protective services pay plan, passed by the 1999 legislature, has an impact on overtime due to the fact that it increased salaries by 9.0 percent. Even though the cost of overtime has increased, the pay increase has enabled the department to increase its retention of officers. With the decrease in staff shortages, the amount of overtime needed should also be decreased.

- 2) In support of prisoner per diem costs, \$62,271 in fiscal 2002 and \$95,288 in fiscal 2003 are requested. Prisoner per diem is the cost the Highway Patrol pays to board prisoners in county detention facilities. The MHP spent \$1,017,508 for approximately 21,062 days of prisoner per diem in fiscal 2000; the Executive Budget projects a 3.0 percent increase in the cost per day between fiscal 2001 and 2003.
- 3) Increases in the price of gasoline have led to a request of \$101,522 per year for gasoline costs. The department estimates that the average cost of a gallon of gasoline will increase from \$1.30 to \$1.52. The Highway Patrol spent \$524,514 on gasoline in fiscal 2000.
- 4) Included in the Executive Budget is a request for \$38,823 in state special gas tax each year to provide subsistence. Subsistence is paid in lieu of all claims for monthly telephone allowance, specified meal allowances, and other miscellaneous costs. The Montana Highway Patrol (MHP) spent \$400,587 in fiscal 2000.
- 5) The state-approved in-state rate for lodging has been increased from \$36.40 to \$57.20 per night for the months of June, July, August, and September; \$4,562 each year is requested to cover the increase.
- 6) Requests for \$51,380 in fiscal 2002 and \$60,281 in fiscal 2003 will support increases in rent. The division has rental agreements for office space (headquarters, districts, and detachments), aircraft hangar space, radio shop space, and radio tower sites. The MHP spent \$239,980 in fiscal 1998 for these lease agreements. Increases in the fiscal 2000 base are due to renegotiated leases or new leases.
- 7) The Executive Budget also includes requests for \$243,658 in fiscal 2002 and \$382,132 in fiscal 2003 in state special gas tax funds for patrol vehicles. Vehicles are surplused when mileage reaches levels between 85,000 and 100,000+. The budget includes funds to replace 63 vehicles each year (one-third of the fleet). The request anticipates an increase in cost per vehicle of approximately 9 percent per year. The average vehicle cost in fiscal 2000 was \$20,551. The MHP is projecting vehicles to cost \$22,401 in fiscal 2001, \$24,418 in fiscal 2002 and \$26,616 in fiscal 2003. The MHP spent \$1,294,676 on vehicles in the base year.

**LFD
ISSUE**

The division estimated a 9.0 percent increase in its request to the 1999 legislature, which translated to a cost per vehicle of \$22,563 for fiscal 2000. The legislature appropriated funds based on a 9.0 percent increase each year, but the actual cost per vehicle in fiscal 2000 was \$20,551. The fiscal 2000 costs reflect approximately a 4.0 percent increase in the cost of a car from its 1998 cost of \$19,992 in fiscal 1998. If the 4.0 percent annual increase were applied to the fiscal 2000 cost per vehicle, a present law increase of \$105,685 in fiscal 2002 and \$161,700 in fiscal 2003 would be needed. This amounts to \$358,405 less than the Executive Budget request for the 2003 biennium.

DP 1302 - MCSAP Base Adjustments - The Motor Vehicle Inspection Bureau (Motor Carrier Safety Assistance Program) is required to perform inspections on commercial motor vehicles and compliance reviews on motor carriers, subject to federal and state regulations.

- 1) Increases of \$1,735 each year are requested for overtime costs associated with performing critical duties such as working strike forces for safety checks in high volume crash areas, accident investigations, and meeting training requirements.
- 2) An increase of \$54,558 in federal authority is requested per year to maintain the fiscal 2000 inspection activity level. During the current biennium, the MHP had to receive one-time-only additional federal authority to bill the Federal Highway Administration for all of the inspections performed in fiscal 2000.
- 3) Increases of \$64,000 per year (80 percent federal and 20 percent state special gas tax) are requested in support of providing training to agencies and individuals involved in the Commercial Motor Vehicle Inspection Program. The additional funds will provide training courses to a greater number of individuals and offer the courses more than once each year.
- 4) A request of \$16,000 per year is proposed to cover the costs of minor tools, instruments, and equipment as more officers from different agencies are being trained to perform inspections for the MCSAP.
- 5) The proposal also includes requests for \$7,612 in fiscal 2002 and \$11,938 in fiscal 2003 in order to replace two MCSAP vans. Industry representatives informed the MHP that the increase in cost for these vehicles is 9.0 percent per year. The MHP spent \$20,229 each for these vehicles in fiscal 2000.

DP 1303 - Recruit School Base Adjustments - On an annual basis, the Highway Patrol conducts a Recruit Training School to train new recruits who will fill vacancies. The Recruit Training School consists of 14 weeks of on-campus training and 8 weeks of field training. Increased funding is requested to cover the rising costs of lodging. The department also expects to increase the number of recruits attending the academy from the number who attended during the base year. The department goal is to send 25 recruits to the academy, but in fiscal 2000 only 17 met the eligibility requirements. A total of \$35,458 in state special gas tax is requested to cover these costs for the biennium.

DP 1305 - Communications Operators - The Montana Highway Patrol operates three 24-hour, seven-days-a-week communication (dispatch) centers, which are located in Billings, Helena, and Missoula. Since 1991, they have experienced a 163 percent increase in radio transmissions and an 84 percent increase in the number of telephone calls received. Funding is requested sufficient to add 3.0 FTE (grade 10) to address the workload increase.

**LFD
ISSUE**

The department requested 3.0 FTE in a new proposal for this purpose during the 1997 session. At that time, the legislature approved 1.5 FTE. If the legislature approves this request, it may wish to reduce the overtime request in DP 1301. Of the \$522,571 requested for overtime, \$58,697 is to maintain the overtime expenditures for the communication system operators in fiscal 2000.

DP 1309 - Language Appropriation MHP - HB 2 contains language that authorizes the Department of Justice to transfer the retirement contributions provided in Sections 19-6-404 and 61-5-121(1)(a), MCA, from the Highway Patrol Retirement Clearing Account in the state special revenue fund to the Montana Highway Patrol Officers' Retirement Pension Fund. Currently, statute requires 10.18 percent of the compensation paid to officers to be directed to the retirement system. In the 2001 biennium, a maximum of \$750,000 was authorized for transfer. The department requests that an appropriation be established in the amount of \$1.0 million each year, more if necessary, to meet the statutory requirements. This level will allow for state pay increases authorized by the legislature, wage and hour claims, and to address lawsuits currently filed.

New Proposals										
Program	FTE	General	Fiscal 2002			FTE	General	Fiscal 2003		
			State Special	Federal Special	Total Funds			State Special	Federal Special	Total Funds
DP 1306 - Legislative Contract Authority 13	0.00	0	0	150,000	150,000	0.00	0	0	150,000	150,000
Total	0.00	\$0	\$0	\$150,000	\$150,000	0.00	\$0	\$0	\$150,000	\$150,000

New Proposals

DP 1306 - Legislative Contract Authority - The Executive Budget includes requests for legislative contract authority of \$300,000 over the biennium in the event grants are received.

**LFD
ISSUE**

Please see the issue in the agency section for a discussion of LCA.

Language Recommendations

"There is appropriated from the highway patrol retirement clearing account for payments to the Montana highway patrol pension fund, the amount required for this transfer, not to exceed \$1,000,000 per fiscal year."

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	60.50	0.00	0.00	60.50	0.00	0.00	60.50	60.50
Personal Services	2,608,277	156,618	0	2,764,895	172,936	0	2,781,213	5,546,108
Operating Expenses	1,001,227	88,212	0	1,089,439	93,446	0	1,094,673	2,184,112
Equipment	79,503	15,000	0	94,503	15,000	0	94,503	189,006
Transfers	0	0	150,000	150,000	0	150,000	150,000	300,000
Debt Service	275	0	0	275	0	0	275	550
Total Costs	\$3,689,282	\$259,830	\$150,000	\$4,099,112	\$281,382	\$150,000	\$4,120,664	\$8,219,776
General Fund	2,214,742	224,015	0	2,438,757	238,359	0	2,453,101	4,891,858
State/Other Special	355,806	(3,556)	(30,546)	321,704	(2,300)	(30,546)	322,960	644,664
Federal Special	1,118,734	39,371	180,546	1,338,651	45,323	180,546	1,344,603	2,683,254
Total Funds	\$3,689,282	\$259,830	\$150,000	\$4,099,112	\$281,382	\$150,000	\$4,120,664	\$8,219,776

Program Description

The Division of Criminal Investigation (DCI) includes the administration, management, and coordination of criminal investigative services performed by the Investigations Bureau, the Narcotics Bureau, and the Fire Prevention and Investigation Bureau. Criminal investigators conduct investigations of homicide, fraud, robbery, assault, corruption, arson, organized crime, dangerous drug activity, and other felony crimes. The program activity includes investigating state agencies as well as providing investigative training to law enforcement officers. The division also has specialized criminal investigation units for the following fraud investigations: 1) Workers' Compensation; 2) welfare; 3) Medicaid; and 4) legislative audits. The Fire Prevention and Investigation Bureau is responsible for safeguarding life and property from fire, explosion, and arson through investigative, inspection, and fire code interpretation and enforcement functions. The Division of Criminal Investigation operates under state and federal mandates.

Funding

General fund is the primary funding source for the Fire Prevention and Investigation Bureau and for general criminal investigations, and it also supplies the match for welfare and Medicaid fraud investigations. General fund supports the eastern narcotics investigation effort and provides match for the western effort. Federal funds are the major source of funding for those investigation functions, with a match from the general fund.

The State Fund account supports State Fund fraud investigations and prosecutions.

Present Law Adjustments										
-----Fiscal 2002-----					-----Fiscal 2003-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					204,414					221,238
Vacancy Savings					(77,796)					(78,302)
Inflation/Deflation					(707)					(214)
Fixed Costs					43,748					47,094
Total Statewide Present Law Adjustments					\$169,659					\$189,816
DP 1840 - DCI Operating Base Adjustments	0.00	68,761	6,014	15,396	90,171	0.00	69,673	6,182	15,711	91,566
Total Other Present Law Adjustments	0.00	\$68,761	\$6,014	\$15,396	\$90,171	0.00	\$69,673	\$6,182	\$15,711	\$91,566
Grand Total All Present Law Adjustments					\$259,830					\$281,382

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies.

Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 1840 - DCI Operating Base Adjustments

LFD COMMENT

This request includes all operation adjustments for this division. The legislature may wish to examine each separately.

The division requests:

- 1) An annual increase of \$30,000 is requested for overtime costs.

LFD ISSUE

The average expenditure for overtime costs over the past four years has been \$14,095. The 1999 legislature approved \$11,500 for overtime in a present law decision package for each year of the 2001 biennium. The division expended \$20,421 for overtime costs in fiscal 2000, but only \$6,134 of the cost was paid from the HB 2 appropriation. Of that amount, \$4,578 was from the general fund. Base expenditures reflect \$6,134. The excess funds were not used for other areas in personal services, as the division reverted excess personal services funds in fiscal 2000. The legislature may wish to reduce this request to historic levels or decrease the amount of general fund requested (approximately 77.4 percent or \$23,206 of the amount requested) and increase federal funds by a like amount, allowing federal grants to pay a higher percentage of the cost.

- 2) An annual increase of \$20,000 is requested in order to procure consulting services. DCI has experienced an increase in the number of requests from local governments to conduct financial investigations. The investigations often require the assistance of a professional auditor who works in conjunction with an investigator. The base expenditures in this category are \$128,292.
- 3) The proposal includes a request for \$17,010 each year to access the Criminal Justice Information Network (CJIN) to obtain criminal history information. CJIN is funded by fees collected from their users. DCI has never been budgeted to pay for these fees.

LFD COMMENT

Fiscal 2000 expenditures were \$768. Expenditures in fiscal 1997 and 1999 were \$5,670.

- 4) The proposal requests \$50,262 in fiscal 2002 and \$51,657 in fiscal 2003 to support increases in rent.
- 5) A request for \$15,000 each year of the biennium is made, with which to purchase additional vehicles. The criminal investigators and Deputy State Fire Marshal each drive 20,000 to 25,000 miles per year. Current funding allows replacement of five vehicles per year, which means vehicles are kept 9 to 10 years. An additional vehicle will allow the division to replace vehicles in 7 to 8 years.
- 6) A reduction of \$42,101 each year in one-time-only costs for office supplies and minor equipment.

New Proposals										
Program	FTE	-----Fiscal 2002-----				-----Fiscal 2003-----				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 1842 - Criminal Investigator Funding Switch										
18	0.00	0	(45,546)	45,546	0	0.00	0	(45,546)	45,546	0
DP 1844 - DCI Legislative Contract Authority										
18	0.00	0	15,000	135,000	150,000	0.00	0	15,000	135,000	150,000
Total	0.00	\$0	(\$30,546)	\$180,546	\$150,000	0.00	\$0	(\$30,546)	\$180,546	\$150,000

New Proposals

DP 1842 - Criminal Investigator Funding Switch - The division requests a funding switch of \$91,092 for the biennium from state special revenue to federal authority in support of funding the services of a criminal investigator. The division will seek alternative funding through federal law enforcement grants. Currently the division has three criminal investigators. They are located in Billings and are responsible for providing investigative assistance to local law enforcement agencies in Eastern Montana. State Fund funds one investigator. As a result of a decrease in the level of State Fund fraud activity, funding for one of these investigative positions will be lost.

DP 1844 - DCI Legislative Contract Authority - The Executive Budget includes requests of \$135,000 in Legislative Contract Authority federal funds each year and \$15,000 in state special funds each year.

LFD ISSUE	<p>Legislative Contract Authority is a device that allows the executive to add spending authority without a budget amendment. Statute directs that a budget amendment may not be approved for the expenditure of state special revenue funds unless an emergency justifies the expenditure. If the legislature chooses to approve the LCA proposal, it may wish to limit the authority to federal funds. For additional information, please see the issue in the agency session for a discussion of LCA.</p>
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Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	21.30	0.75	0.00	22.05	0.75	0.00	22.05	22.05
Personal Services	1,556,508	150,378	0	1,706,886	195,937	0	1,752,445	3,459,331
Total Costs	\$1,556,508	\$150,378	\$0	\$1,706,886	\$195,937	\$0	\$1,752,445	\$3,459,331
General Fund	1,556,508	150,378	0	1,706,886	195,937	0	1,752,445	3,459,331
Total Funds	\$1,556,508	\$150,378	\$0	\$1,706,886	\$195,937	\$0	\$1,752,445	\$3,459,331

Program Description

The County Attorney Payroll Program pays half of the salary and benefits of the 56 county attorneys.

Funding

The County Attorney Payroll Program is entirely funded by the general fund, as required by Section 7-4-2502, MCA.

Present Law Adjustments									
-----Fiscal 2002-----					-----Fiscal 2003-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				36,970					36,971
Vacancy Savings				0					0
Total Statewide Present Law Adjustments				\$36,970					\$36,971
DP 1901 - County Attorney Adjustments	0.75	113,408	0	0	113,408	0.75	158,966	0	0
Total Other Present Law Adjustments	0.75	\$113,408	\$0	\$0	\$113,408	0.75	\$158,966	\$0	\$0
Grand Total All Present Law Adjustments				\$150,378					\$195,937

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 1901 - County Attorney Adjustments - This request addresses three adjustments that will affect some or all county attorneys. State law allows counties to compensate for longevity as based on a predetermined scale. State law also provides for an annual cost of living adjustment, and allows counties to change the status of the county attorney from part-time to full-time or vice versa. The Executive Budget requests \$272,374 during the 2003 biennium to make these adjustments.

The 1999 legislature passed SB 233, which gave counties the option of making longevity compensation to county attorneys. Currently, longevity compensation is provided by one fourth of Montana's counties. The department assumes that all counties will approve longevity increases, which will amount to an additional \$26,615 in fiscal 2002 and \$34,750 in fiscal 2003. An interim committee is reviewing the issue of longevity, especially in light of an Attorney General's opinion directing counties to include years as a deputy county attorney in the longevity calculation.

Sweetgrass County will move their county attorney from part- to full-time. Golden Valley and Musselshell counties currently share one full-time attorney. A request to hire a second full-time attorney has been made, allowing each county its own attorney. This request proposes that the state will pay for half of this increase, which would amount to adjustments of \$50,352 in fiscal 2002 and \$50,532 in fiscal 2003.

Section 7-4-2503, MCA, establishes the calculation for county attorneys' salary levels. This section allows counties to grant cost-of-living (COLA) increases to county attorneys. The COLA adjustment for county officials' salaries, as determined by the Bureau of Business and Economic Research at the University of Montana, amounts to 2.2 percent annually. To meet this expense, an increase of \$36,441 in fiscal 2002 and \$73,684 in fiscal 2003 is requested.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	11.50	1.00	0.00	12.50	1.00	0.00	12.50	12.50
Personal Services	432,818	62,166	0	494,984	64,562	0	497,380	992,364
Operating Expenses	521,136	114,357	0	635,493	97,349	0	618,485	1,253,978
Capital Outlay	0	0	0	0	0	0	0	0
Transfers	0	0	150,000	150,000	0	150,000	150,000	300,000
Debt Service	79,484	2,600	0	82,084	2,600	0	82,084	164,168
Total Costs	\$1,033,438	\$179,123	\$150,000	\$1,362,561	\$164,511	\$150,000	\$1,347,949	\$2,710,510
General Fund	1,033,438	79,516	0	1,112,954	64,789	0	1,098,227	2,211,181
State/Other Special	0	0	50,000	50,000	0	50,000	50,000	100,000
Federal Special	0	99,607	100,000	199,607	99,722	100,000	199,722	399,329
Total Funds	\$1,033,438	\$179,123	\$150,000	\$1,362,561	\$164,511	\$150,000	\$1,347,949	\$2,710,510

Program Description

The Montana Law Enforcement Academy provides a professional education and training program in criminal justice for Montana law enforcement officers and other criminal justice personnel. The academy provides an annual curriculum specifically designed to meet the needs of the adult and juvenile criminal justice systems.

Funding

The Law Enforcement Academy is funded primarily with general fund, but also uses some state and federal grant monies. The academy charges tuition for certain classes, particularly specialized courses. All tuition fees are deposited to the general fund. Revenues to the general fund in fiscal 2000 were approximately \$141,900, or 13.7 percent of the total cost.

Present Law Adjustments									
-----Fiscal 2002-----					-----Fiscal 2003-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				41,817					44,168
Vacancy Savings				(12,859)					(12,929)
Inflation/Deflation				6,510					4,524
Fixed Costs				1,078					2,456
Total Statewide Present Law Adjustments				\$36,546					\$38,219
DP 2201 - Academy Base Adjustments									
0.00	42,970	0	0	42,970	0.00	26,570	0	0	26,570
DP 2206 - Stop Violence Against Women Grant									
1.00	0	0	99,607	99,607	1.00	0	0	99,722	99,722
Total Other Present Law Adjustments									
1.00	\$42,970	\$0	\$99,607	\$142,577	1.00	\$26,570	\$0	\$99,722	\$126,292
Grand Total All Present Law Adjustments				\$179,123					\$164,511

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2201 - Academy Base Adjustments - The division is requesting the funding detailed below:

- 1) Funding amounting to \$14,000 in support of procuring contracted services for each year of the biennium, and \$10,000 per year for supplies and non-employee travel. These funds will help address fluctuations in attendance rates for officers hired by local law enforcement agencies and required to attend the Academy for basic training. The 1999 legislature appropriated this amount annually; the division reverted the funds in fiscal 2000.
- 2) An increase of \$10,420 is requested for contracted services, to increase the hourly rate paid to contracted instructors from \$12.50 per hour to \$14.00, and to restore \$3,880 in funding that was supported by federal grant monies in fiscal 2000.
- 3) Funds in the amount of \$2,250 per year to cover an increase in the food service contract.
- 4) Funds in the amount of \$3,700 each year to meet increased utility costs.
- 5) Funds in the amount of \$2,600 each year with which to lease a larger tractor.
- 6) A reduction of \$16,400 in fiscal 2003 for costs associated with DARE. The Academy provides DARE training every two years, in even-numbered years.

DP 2206 - Stop Violence Against Women Grant - Since 1996, the Academy has received an annual grant from the Montana Board of Crime Control, designated to help stop violence against women. This grant funds a partnership between the Law Enforcement Academy and the Montana Coalition Against Sexual and Domestic Violence. The grant funds a training officer at the academy and advanced training facilitated by the coalition. Funding is anticipated for the 2003 biennium.

New Proposals										
-----Fiscal 2002-----						-----Fiscal 2003-----				
Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 2207 - Academy LCA 22	0.00	0	50,000	100,000	150,000	0.00	0	50,000	100,000	150,000
Total	0.00	\$0	\$50,000	\$100,000	\$150,000	0.00	\$0	\$50,000	\$100,000	\$150,000

New Proposals

DP 2207 - Academy LCA - The Executive Budget includes a request for Legislative Contract Authority of \$100,000 in federal funds and \$50,000 state special funds each year.

LFD ISSUE	Legislative Contract Authority is a device that allows the executive to add spending authority without making a budget amendment. Statute directs that a budget amendment may not be approved for the expenditure of state special revenue funds unless an emergency justifies the expenditure. If the legislature chooses to approve the LCA proposal, it may wish to limit the authority to federal funds. (For additional information, please see the issue in the agency session for a discussion of LCA.)
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Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	13.25	2.00	0.00	15.25	2.00	0.00	15.25	15.25
Personal Services	468,305	117,628	0	585,933	121,351	0	589,656	1,175,589
Operating Expenses	122,664	34,839	0	157,503	(32,339)	0	90,325	247,828
Total Costs	\$590,969	\$152,467	\$0	\$743,436	\$89,012	\$0	\$679,981	\$1,423,417
General Fund	254,296	65,095	0	319,391	37,809	0	292,105	611,496
State/Other Special	324,913	84,253	0	409,166	49,354	0	374,267	783,433
Proprietary	11,760	3,119	0	14,879	1,849	0	13,609	28,488
Total Funds	\$590,969	\$152,467	\$0	\$743,436	\$89,012	\$0	\$679,981	\$1,423,417

Program Description

The Central Services Division provides the administrative, personnel, budgetary, accounting, and fiscal support for the Department of Justice. The program also administers the County Attorney Payroll and Transportation of Prisoners Program expenditures.

Funding

The Central Services Division is funded by an allocation from the four major funds that support the Department of Justice, in proportion to total budgeted costs.

LFD ISSUE

Since this division is funded in correlation with that of the department, and because certain funding shifts to the general fund are requested, the legislature may wish to fund this division after all other funding decisions for the department are made.

Present Law Adjustments									
-----Fiscal 2002-----					-----Fiscal 2003-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				80,123					83,782
Vacancy Savings				(15,072)					(15,182)
Inflation/Deflation				96					279
Fixed Costs				23,579					(36,782)
Total Statewide Present Law Adjustments				\$88,726					\$32,097
DP 2802 - CSD Additional Staff									
2.00	27,409	35,057	0	63,741 *	2.00	24,473	31,304	0	56,915 *
Total Other Present Law Adjustments									
2.00	\$27,409	\$35,057	\$0	\$63,741	2.00	\$24,473	\$31,304	\$0	\$56,915
Grand Total All Present Law Adjustments				\$152,467					\$89,012
* "Total Funds" amount may include dollars from funds other than general fund, state special fund, and federal special funds (i.e., proprietary).									

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2802 - CSD Additional Staff - The Executive Budget requests funding for 2.0 FTE (grade 11) and the associated operating expenses needed to support those positions. The two positions would work in the accounting section. Central Services Division (CSD) provides overhead services to all divisions within the department.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	46.00	1.00	0.00	47.00	1.00	0.00	47.00	47.00
Personal Services	1,576,351	358,705	0	1,935,056	369,699	0	1,946,050	3,881,106
Operating Expenses	1,497,674	184,087	0	1,681,761	187,861	0	1,685,535	3,367,296
Equipment	169,589	0	0	169,589	0	0	169,589	339,178
Transfers	0	0	300,000	300,000	0	300,000	300,000	600,000
Debt Service	384,972	0	0	384,972	0	0	384,972	769,944
Total Costs	\$3,628,586	\$542,792	\$300,000	\$4,471,378	\$557,560	\$300,000	\$4,486,146	\$8,957,524
General Fund	2,486,200	542,792	0	3,028,992	557,560	0	3,043,760	6,072,752
State/Other Special	657,371	0	0	657,371	0	0	657,371	1,314,742
Federal Special	474,801	0	300,000	774,801	0	300,000	774,801	1,549,602
Proprietary	10,214	0	0	10,214	0	0	10,214	20,428
Total Funds	\$3,628,586	\$542,792	\$300,000	\$4,471,378	\$557,560	\$300,000	\$4,486,146	\$8,957,524

Program Description

The Justice Information Systems Division provides a full range of information technology and criminal justice services for the Department of Justice including: 1) system development and maintenance of the motor vehicle registration system; 2) the driver history system; 3) the Criminal History Record Information and Montana Uniform Crime Reporting systems; 4) support for the Department of Justice computer system; 5) identification services for the criminal justice community through criminal history record checking and fingerprint processing; and 6) system development and support for the Criminal Justice Information Network (CJIN). CJIN links law enforcement/criminal justice agencies with information sources at local, state, and national levels by interfacing with the National Law Enforcement Telecommunications System, the National Crime Information Center (NCIC), and numerous State of Montana files.

Funding

General fund is the primary funding source for the Justice Information Systems Division. Fees generated by the Criminal Justice Information Network (CJIN) partially support the operating costs of the CJIN network, as do some federal funds. In fiscal 2000, fees of \$508,656 were collected from 107 users comprised of state agencies, cities, counties, and federal agencies. Approximately 4.6 percent, or \$23,700, of the amount collected from state agencies was a general fund cost.

Present Law Adjustments									
-----Fiscal 2002-----					-----Fiscal 2003-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				413,515					424,850
Vacancy Savings				(54,810)					(55,151)
Inflation/Deflation				(6,712)					(6,116)
Fixed Costs				64,742					67,920
Total Statewide Present Law Adjustments				\$416,735					\$431,503
DP 2901 - JISD Base Adjustments									
0.00	126,057	0	0	126,057	0.00	126,057	0	0	126,057
DP 2902 - Administrative FTE									
1.00	0	0	0	0	1.00	0	0	0	0
Total Other Present Law Adjustments									
1.00	\$126,057	\$0	\$0	\$126,057	1.00	\$126,057	\$0	\$0	\$126,057
Grand Total All Present Law Adjustments				\$542,792					\$557,560

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies.

Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 2901 - JISD Base Adjustments - The Executive Budget request includes funds to out-source certain information technology (IT) projects, such as programming and program maintenance. Funds are also requested to provide for increased travel and training expenses. Requested increases are detailed below:

- 1) A request for \$100,000 for each year with which to procure contracted services that would allow the division to keep up with the department's programming needs. An additional \$8,000 is requested to provide funding for an intern to cover the help desk on weekends in the Customer Services Bureau.

LFD ISSUE	This request represents a 46.1 percent increase over the fiscal 2000 base of \$234,033. The 1999 legislature allocated approximately \$169,000 for this category in fiscal 2000. In fiscal 2000, the division used \$65,033 in savings resulting from vacant positions for contracted services to cover the department's programming and maintenance needs. The department met the conditions contained in HB 2 language stating that funds transferred from personal services to contracted services will be used as a direct substitute for use of personal services, and that the Legislative Finance Committee must be notified of such transfers. However, the division now has \$65,033 in its base for contracted services, while personal services for the 2003 biennium have been made whole as the present law base adjustment for personal services is driven by the positions, not expenditures. The legislature may want to reduce this request by \$65,033 per year.
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- 2) The proposal includes a request of \$500 per year for reference materials.
- 3) A decrease if \$49,943 per year is requested for one-time-only rent costs.
- 4) The proposal includes a request of \$4,000 each year to support increased travel resulting from the expansion of the Criminal Justice Information System Network. This has led to greater demands on audit and support staff.
- 5) An additional \$23,500 per year is requested for education and training. Fully qualified people have not been found to fill IT positions. These positions include programmer analysts, LAN (Local Area Network) managers, and database administrators. As a result, training assignments have been utilized. In order to complete a training assignment, employees attend specialized training courses costing between \$600 and \$1,500 per course. This request includes \$13,500 per year for nine Support Services Bureau members (LAN managers, a network coordinator, and a database administrator) to attend one week of technical training. An additional \$10,000 per year is requested with which to cover training assignments and other specialized training for the Development Services Bureau for project managers and programmer analysts.

LFD ISSUE	The division states that it is experiencing problems with hiring and retaining IT professionals. Unless the division can remain competitive with the market, the money spent for training will not be of benefit because problems with retention are not addressed simply by providing training.
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DP 2902 - Administrative FTE - This decision package does not require any additional funds for the 1.0 FTE requested to handle general office duties. In fiscal 2000, a clerical position was reclassified to an administrative officer position, and was given the responsibilities of budget, fiscal, and personnel oversight. The general office duties were then contracted out to Express Services. This position has continued to perform the duties associated with the day-to-day operation of the division including such tasks as answering the telephone, distributing mail, maintaining the meeting schedule for the JISD conference room, making travel arrangements and filing. This decision package requests that contracted services be discontinued and the position filled on a permanent basis.

**LFD
ISSUE**

If the legislature approves this decision package, the LFD suggests reducing contracted services by \$22,000 (the approximate cost of contracted services paid this position in the base budget), while increasing personal services by \$22,000. By allowing the funding to remain in contracted services, there is the potential in the 2005 biennium that the \$22,000 would not be removed from contracted services and that this position would also be funded in personal services.

New Proposals

Program	-----Fiscal 2002-----					-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 2903 - JISD Legislative Contract Authority 29	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
Total	0.00	\$0	\$0	\$300,000	\$300,000	0.00	\$0	\$0	\$300,000	\$300,000

New Proposals

DP 2903 - JISD Legislative Contract Authority - The Executive Budget includes requests for legislative contract authority of \$600,000 over the biennium in the event federal grants are received.

**LFD
ISSUE**

Please see the issue in the agency section for a discussion of legislative contract authority (LCA).

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	164,479	1,178	0	165,657	2,390	0	166,869	332,526
Total Costs	\$164,479	\$1,178	\$0	\$165,657	\$2,390	\$0	\$166,869	\$332,526
General Fund	164,479	1,178	0	165,657	2,390	0	166,869	332,526
Total Funds	\$164,479	\$1,178	\$0	\$165,657	\$2,390	\$0	\$166,869	\$332,526

Program Description

The Extradition and Transportation of Prisoners Program reimburses county sheriffs for allowable expenses associated with transporting prisoners to Montana detention centers and for expenses of extraditing prisoners to Montana. Expenditures for this program are overseen by the Governor's Office and bills are paid by the Department of Justice.

Funding

This program is funded entirely by the general fund.

Present Law Adjustments										
-----Fiscal 2002-----						-----Fiscal 2003-----				
FTE	General	State Special	Federal Special	Total Funds		FTE	General	State Special	Federal Special	Total Funds
DP 3001 - TOP Base Adjustments										
0.00	1,178	0	0	1,178		0.00	2,390	0	0	2,390
Total Other Present Law Adjustments										
0.00	\$1,178	\$0	\$0	\$1,178		0.00	\$2,390	\$0	\$0	\$2,390
Grand Total All Present Law Adjustments				\$1,178						\$2,390

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 3001 - TOP Base Adjustments - The Executive Budget requests a three percent inflationary increase for the shuttle coordinator contract, at a cost of \$1,178 in fiscal 2002 and \$2,390 in fiscal 2003.

Language Recommendations

"Any remaining balance, up to \$51,000 from the program budget in fiscal 2002 and fiscal 2003 may be used to purchase vans for county sheriffs and peace officers to transport prisoners rather than reverting to the general fund."

LFD ISSUE	If the legislature approves this language it may be setting a precedent for agencies to request the use of remaining balances rather than reverting them to the general fund. If approved, this language should be more specific in stating that only the balances remaining from the Extradition and Transportation of Prisoners Program may be used for this purpose. It should also be specified that it is general fund.
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Program Proposed Budget								
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003	Total Exec. Budget Fiscal 02-03
FTE	24.00	0.00	0.00	24.00	0.00	0.00	24.00	24.00
Personal Services	1,261,709	76,141	0	1,337,850	82,840	0	1,344,549	2,682,399
Operating Expenses	891,512	111,714	0	1,003,226	101,803	0	993,315	1,996,541
Equipment	82,807	120,193	0	203,000	113,193	0	196,000	399,000
Transfers	0	0	100,000	100,000	0	100,000	100,000	200,000
Debt Service	3,033	0	0	3,033	0	0	3,033	6,066
Total Costs	\$2,239,061	\$308,048	\$100,000	\$2,647,109	\$297,836	\$100,000	\$2,636,897	\$5,284,006
General Fund	1,886,174	272,057	0	2,158,231	261,545	0	2,147,719	4,305,950
State/Other Special	303,202	3	0	303,205	3	0	303,205	606,410
Federal Special	49,685	35,988	100,000	185,673	36,288	100,000	185,973	371,646
Total Funds	\$2,239,061	\$308,048	\$100,000	\$2,647,109	\$297,836	\$100,000	\$2,636,897	\$5,284,006

Program Description

The Forensic Science Division, which includes the State Crime Lab in Missoula and the State Medical Examiner, provides for a statewide system of death investigation, forensic science training, and scientific criminal investigation and analysis for specimens submitted by law enforcement officials, coroners, and state agencies. The division tests firearms, tool marks, hair, fiber, drugs, blood, body fluids, and tissues. The laboratory also analyzes blood, breath, and urine samples in connection with driving under the influence of alcohol or drugs (DUI) and provides the certification, maintenance, and training of all law enforcement personnel on breath testing instruments.

Program Narrative

LFD COMMENT The state crime lab has experienced backlogs in processing evidence from drug cases in fiscal 2000 due to: 1) an increase in the number of seized meth labs from 2-3 in past years to over 35 in fiscal 2000; 2) a 15.0 percent increase in the number of drug submissions; and 3) inadequate space for the past seven months due to the move to the new building. To address the backlog, the state's county attorneys were notified (October 2000) that when the lab receives drug cases only one exhibit would be analyzed of the first five submitted; one more would be analyzed if more than 5 exhibits were submitted. If the analysis identifies an illegal drug, the lab will report that fact and will not analyze any other drugs in that case. The department states that this will not be a permanent policy, but will be in effect until such time as the backlog is reduced or the lab receives additional assistance.

Funding

The Forensic Science Division is funded primarily from the general fund. The division receives approximately \$300,000 annually from the earmarked alcohol tax for laboratory testing and intoxilizer equipment repair, which is done at the lab in support of the DUI Enforcement Program. An on-going federal grant supports two chemists and meets the related operating costs; this grant requires a 25 percent general fund match.

Present Law Adjustments										
-----Fiscal 2002-----						-----Fiscal 2003-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					114,780					121,687
Vacancy Savings					(38,639)					(38,847)
Inflation/Deflation					(209)					(171)
Fixed Costs					32,474					34,525
Total Statewide Present Law Adjustments					\$108,406					\$117,194
DP 3201 - FSD Base Adjustments										
	0.00	187,642	0	0	187,642	0.00	180,642	0	0	180,642
DP 3202 - Lab Accreditation										
	0.00	12,000	0	0	12,000	0.00	0	0	0	0
Total Other Present Law Adjustments										
	0.00	\$199,642	\$0	\$0	\$199,642	0.00	\$180,642	\$0	\$0	\$180,642
Grand Total All Present Law Adjustments					\$308,048					\$297,836

Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget included in the executive present law. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items will be applied globally to all agencies. A description of each item is included in the "Agency Budget Analysis Roadmap" section that begins this volume. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 3201 - FSD Base Adjustments

LFD COMMENT

This request includes all operation adjustments for this division. The legislature may wish to examine each separately.

The Forensic Science Division moved from its former location at the St. Patrick Hospital in Missoula to interim space at the old Loyola High School Building, the University of Montana, and the Sunset Funeral Home. When construction was completed, there was a second move to the new laboratory at 2679 Palmer. Normal laboratory operations were disrupted as a result of the new move, and a number of base adjustments are requested to return to a normal operating budget level. Some adjustments will include a decrease in budget categories due to one-time-only, unexpected expenditures. Other categories will show increases caused by the moves. The major base increases include equipment purchases and the need to annualize rent for the new lab, as this space was occupied for only five months in fiscal 2000. The requested changes are listed below.

- 1) A net increase of \$300 per year due to a reduction of \$9,300 each year in contracted services for the one-time cost of conducting autopsies at a local funeral home until the new lab was complete. An increase of \$9,600 each year (\$600 per day) to hire a pathologist for three weeks per year to replace Dr. Dale during his vacation. In the past, a private forensic pathologist in Great Falls provided emergency coverage in Dr. Dale's absence at a cost of \$1,550 per year (\$50 per day for 31 days in fiscal 2000). This pathologist has retired and is not being replaced.
- 2) An increase of \$24,055 each year for DNA supplies. The DNA section of the laboratory was closed for seven months while the lab occupied interim laboratory space. DNA analysis was not done during that time and DNA supplies were not purchased.
- 3) A \$5,900 decrease each year for the one-time cost to purchase refrigerators in which to store specimens for the interim move.
- 4) A reduction of \$7,745 each year for one-time expenditures of chairs and tables to furnish the training room in the new laboratory.
- 5) A reduction of \$7,204 each year for the one-time purchase of two laptop computers.

- 6) A decrease of \$3,253 each year to remove one-time costs associated with the installation of a new telephone system.
- 7) An increase of \$121,708 each year for the annualization of rent at the new location. Base expenditures reflect only five months rental costs.
- 8) An increase of \$1,225 each year to annualize the disposal of the lab's biological waste material. The biological waste is transported to Utah for disposal. When the crime laboratory rented space from the St. Patrick's Hospital, the hospital disposed of the lab's biological waste material. The cost of this service was \$175 per month.
- 9) A reduction of \$20,399 for one-time costs associated with upgrading the facilities used during the interim move.
- 10) A reduction of \$8,700 each year for equipment repair and maintenance. Two pieces of instrumentation required the manufacturer to disassemble, move, and reassemble them at the new laboratory.
- 11) A reduction of \$26,638 each year to remove the costs of relocation.
- 12) An increase of \$120,193 in fiscal 2002 and \$113,193 in fiscal 2003 for equipment (base year expenditures were \$82,807). A portion of the equipment funds were used to help pay the increased costs of the move during fiscal 2000. Table 2 shows the requested equipment purchases for the 2003 biennium.

Table 2 Forensic Science Division 2003 Biennium Equipment Request		
	Fiscal 2002	Fiscal 2003
Six Breathe Analyzer Instruments (each yr.)	\$45,000	\$45,000
Centrifuge	6,000	
Two Thermal Cyclers	14,000	
Stereomicroscope	6,000	
Comparison Microscope	12,000	
Microspectrophotometer		90,000
Fourier Transform Infrared Spectrometer		50,000
Alternative Light Source		<u>11,000</u>
Total	<u>\$83,000</u>	<u>\$151,000</u>

LFD COMMENT

Table 3 summarizes the agency-wide costs associated with the move to the new Missoula building. Due to delays in being able to move into the new building when planned, approximately 32.0 percent of the fiscal 2000 rent appropriation was spent for one-time costs directly associated with the new building. The department identified these one-time costs for removal from the base, so they are not included in the 2003 biennium budget. In addition, any funds that were not used for rent or costs associated with the new building were reverted. The last column of the table shows that the 2003 biennium request for rent and new costs associated with the move are slightly more than what was appropriated in the 2001 biennium. The increase in rent is due to adjustments made in square footage in the finalized building plans.

Table 3 Department of Justice Cost of Move to New Building in Missoula			
	2001 Biennium Appropriation	2003 Biennium Request	Difference 2003 v. 2001
Rent			
Gambling Control Division	\$ 82,342	\$ 84,650	\$ 2,308
Motor Vehicle Division	94,126	98,364	4,238
Montana Highway Patrol	141,348	138,348	(3,000)
Division of Criminal Investigations	146,184	146,458	274
Forensic Science Division	983,416	1,034,014	50,598
Subtotal	\$ 1,447,416.00	\$ 1,501,834.00	\$ 54,418.00
Increases Due to Lab Move			
Telephone system	-	25,200	25,200
Biological waste removal	-	4,200	4,200
Subtotal	-	29,400	29,400
Total	<u>\$ 1,447,416</u>	<u>\$ 1,531,234</u>	<u>\$ 83,818</u>

DP 3202 - Lab Accreditation - The American Society of Crime Laboratory Directors (ASCLD) has established the most widely-accepted accreditation program in the field of forensic science. This professional body adheres to a strict set of standards that include all aspects of running a crime laboratory. This includes quality assurance/quality control criteria designed to withstand court challenges. These standards are widely accepted in the forensic science profession and there is proposed federal legislation that would require laboratories to be accredited or seeking accreditation in order to apply for federal grants. In addition, accreditation would acknowledge that the lab meets and adheres to strict guidelines governing the operation of a forensic lab. The cost of \$12,000 in fiscal 2002 represents a pre-audit visit and the accreditation examination.

**LFD
ISSUE**

Having an accredited lab would be a new benchmark for the Forensic Division. Because it is not required by law and has not been a standard met in the past biennium, this decision package should be a new proposal.

New Proposals										
Program	FTE	-----Fiscal 2002-----				-----Fiscal 2003-----				
		General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 3204 - FSD Legislative Contract Authority 32	0.00	0	0	100,000	100,000	0.00	0	0	100,000	100,000
Total	0.00	\$0	\$0	\$100,000	\$100,000	0.00	\$0	\$0	\$100,000	\$100,000

New Proposals

DP 3204 - FSD Legislative Contract Authority - The Executive Budget requests legislative contract authority of \$200,000 over the biennium in the event that federal grants are received.

**LFD
ISSUE**

Please see the issue in the agency section for a discussion of legislative contract authority (LCA).